



School Finance – Allowable Growth Rates

Iowa Code section [257.8](#) requires the General Assembly to annually establish an allowable growth rate within 30 days of the Governor's budget submission. The establishment of the allowable growth rate includes a rate that is applied to the State cost per pupil amounts for the regular school aid formula and an allowable growth rate (or rates) for the State categorical supplement cost per pupil amounts. The law requires that the growth rate be established for the fiscal year that is two years after the Legislative Session year. For instance, the General Assembly is required to establish the allowable growth rate for FY 2015 during the 2013 Legislative Session.

The allowable growth rates impact the following State cost per pupil amounts. In addition to these cost per pupil amounts, the growth in the State cost per pupil dollar amount is applied to each district and area education agency (AEA) cost per pupil amounts used in determining the budgeted amount for each school district and AEA.

For regular school aid:

- Regular program
- Special education program
- AEA special education support services
- AEA media services cost
- AEA educational services

For the State categorical supplements:

- Teacher salary supplement
- Professional development supplement
- Early intervention supplement
- AEA teacher salary supplement
- AEA professional development supplement

FY 2013 Allowable Growth Rates and Impact on Cost Per Pupil Amounts

The General Assembly established the regular school aid and the State categorical supplements allowable growth rates at 2.0% for FY 2013. The following provides the calculations for each of the FY 2013 State cost per pupil amounts.

Regular Program and Special Education Program State Cost Per Pupil: The FY 2012 regular program and special education program State cost per pupil amounts were each \$5,883. Applying the 2.0% growth rate to the FY 2012 cost per pupil amount yields an allowed growth of \$118 (rounded to the nearest dollar). The allowed growth amount is added to the FY 2012 cost per pupil amount, establishing the FY 2013 State cost per pupil amount at \$6,001.

AEA Special Education Support Services State Cost Per Pupil: The FY 2012 AEA special education support services State cost per pupil amount was \$258.34. Applying the 2.0% growth rate to the FY 2012 cost per pupil amount yields an allowed growth of \$5.17 (rounded to the nearest cent). The allowed growth amount is added to the FY 2012 cost per pupil amount, establishing the FY 2013 State cost per pupil amount at \$263.51.

AEA Media Services State Cost Per Pupil: The FY 2012 AEA media services State cost per pupil amount was \$48.17. Applying the 2.0% growth rate to the FY 2012 cost per pupil amount yields an allowed growth of \$0.96 (rounded to the nearest cent). The allowed growth amount is added to the FY 2012 cost per pupil amount, establishing the FY 2013 State cost per pupil amount at \$49.13.

AEA Educational Services State Cost Per Pupil: The FY 2012 AEA educational services State cost per pupil amount was \$53.16. Applying the 2.0% growth rate to the FY 2012 cost per pupil amount yields an allowed growth of \$1.06 (rounded to the nearest cent). The allowed growth amount is added to the FY 2012 cost per pupil amount, establishing the FY 2013 State cost per pupil amount at \$54.22.

More Information

[LSA Allowable Growth Rate History Spreadsheet](#)

[LSA School Aid Presentation](#)

[LSA Education Finance Legal Guide](#)

Iowa General Assembly: <https://www.legis.iowa.gov/index.aspx>

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Teacher Salary Supplement State Cost Per Pupil (District and AEA): The FY 2012 teacher salary supplement State cost per pupil amount was \$507.03 for school districts and \$26.54 for AEs. Applying the 2.0% growth rate to the FY 2012 cost per pupil amount yields an allowed growth of \$10.14 for school districts and \$0.53 for AEs (rounded to the nearest cent). The allowed growth amount is added to the FY 2012 cost per pupil amount, establishing the FY 2013 State cost per pupil amount at \$517.17 for school districts and \$27.07 for AEs.

Professional Development Supplement State Cost Per Pupil (District and AEA): The FY 2012 professional development supplement State cost per pupil amount was \$57.42 for school districts and \$3.10 for AEs. Applying the 2.0% growth rate to the FY 2012 cost per pupil amount yields an allowed growth of \$1.15 for school districts and \$0.06 for AEs (rounded to the nearest cent). The allowed growth amount is added to the FY 2012 cost per pupil amount, establishing the FY 2013 State cost per pupil amount at \$58.57 for school districts and \$3.16 for AEs.

Early Intervention Supplement State Cost Per Pupil: The FY 2012 early intervention supplement State cost per pupil amount was \$62.55. Applying the 2.0% growth rate to the FY 2012 cost per pupil amount yields an allowed growth of \$1.25 (rounded to the nearest cent). The allowed growth amount is added to the FY 2012 cost per pupil amount, establishing the FY 2013 State cost per pupil amount at \$63.80.

The following tables provide the allowable growth rates and State cost per pupil amounts for regular school aid since FY 2000 and the State categorical supplements since FY 2010.

Regular School Aid Formula Allowable Growth Rate and State Cost Per Pupil Amounts						
Fiscal Year	Allowable Growth Rate	Regular Program	Special Education	AEA Spec. Ed. Services	AEA	
					AEA Media Services	AEA Educational Services
2000	3.00%	\$ 4,171	\$ 4,171	\$ 183.15	\$ 34.15	\$ 37.70
2001	4.00%	4,338	4,338	190.48	35.52	39.21
2002	4.00%	4,512	4,512	198.1	36.94	40.78
2003	1.00%	4,557	4,557	200.08	37.31	41.19
2004	2.00%	4,648	4,648	204.08	38.06	42.01
2005	2.00%	4,741	4,741	208.16	38.82	42.85
2006	4.00%	4,931	4,931	216.49	40.37	44.56
2007	4.00%	5,128	5,128	225.15	41.98	46.34
2008	4.00%	5,333	5,333	234.16	43.66	48.19
2009	4.00%	5,546	5,546	243.53	45.41	50.12
2010	4.00%	5,768	5,768	253.27	47.23	52.12
2011	2.00%	5,883	5,883	258.34	48.17	53.16
2012	* 0.00%	5,883	5,883	258.34	48.17	53.16
2013	2.00%	6,001	6,001	263.51	49.13	54.22

State Categorical Supplements: Allowable Growth Rates and State Cost Per Pupil Amounts								
Fiscal Year	Teach. Comp.			Prof. Dev.			Early Intervention	
	Allowable Growth Rate	Teacher Compensation	AEA Teacher Comp.	Allowable Growth Rate	Professional Development	AEA Prof. Development	Allowable Growth Rate	Early Intervention
2010		\$ 497.09	\$ 26.02		\$ 56.29	\$ 3.04		\$ 61.32
2011	2.00%	507.03	26.54	2.00%	57.42	3.10	2.00%	62.55
2012	* 0.00%	507.03	26.54	0.00%	57.42	3.10	0.00%	62.55
2013	2.00%	517.17	27.07	2.00%	58.57	3.16	2.00%	63.80

Notes:

Statewide voluntary preschool formula funding began in FY 2009. The cost per pupil amount is based on the preschool formula weighting multiplied by the State cost per pupil for that fiscal year.

State categorical supplements State cost per pupil amounts in FY 2010 were established by the Department of Management's calculations.

*No allowable growth rate was established for FY 2012. The result was an allowable growth rate that defaulted to 0.0% for regular school aid and each of the State categorical supplements.